



Request for City Council Committee Action from the Department of City Coordinator

Date: June 17, 2013

To: The Honorable Elizabeth Glidden, Chair, Regulatory Energy and Environment Committee

**Subject: Submittal of comments to Public Utilities Commission regarding Xcel's
Annual Reliability and Smart Grid Report**

Recommendation: Authorize submission of comments to state regarding Xcel Energy's Annual Report and Petition Service Quality Performance including Smart Grid report, Docket Number E, E002/M-13-255

Previous Directives:

- July 9, 2011: REE support to submit comments to Minnesota Dept. of Commerce related to Xcel Energy's proposed 2013-2015 Tri-Conservation Improvement Plan focused on eliminating Solar Rewards

Department Information

Prepared by: Gayle Prest, Sustainability Director Approved by: Paul Aasen, City Coordinator Presenters in Committee: Gayle Prest
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Financial Impact

- No financial impact

Supporting Information

Xcel Energy is required to annually file with the Minnesota Public Utilities Commission (PUC) a report on the NSP region's safety, reliability and service quality performance of the preceding year. As a part of this report they also provide an update on their smart grid compliance. The comment period deadline for the public to respond to the report is July 1, 2013. Staff have attached the draft comment letter which has not yet been finalized.

The decisions made at the PUC and Minnesota Department of Commerce has substantial impacts on the ability of the City of Minneapolis to meet its Climate Action Plan goals, environmental justice goals, and other environmental and sustainability goals. In addition, the City has a franchise agreement with the Xcel Energy since much of Xcel's infrastructure is situated in the City's right of way. Understandably, a long – term safe, reliable and quality energy system is in the City's best interest in order to ensure a livable community and support the existing and growth potential of the City's various customer classes including residential, commercial, and industrial.

In early 2012, the Minneapolis Community Environmental Advisory Committee recommended to the City Council that the city become more engaged at the Public Utilities Commission. As a result, of related work in 2012, Xcel Energy's Solar Rewards program for small solar system was continued and due to an interim tariff, the City will be receiving a higher value for its solar production on the Convention Center and at Royalston Maintenance Facility. City staff are currently engaged in other Xcel filings with the PUC related to data access, and solar has past legislative session resulted in numerous energy policy changes that will require stakeholder engagement and PUC filings/responses in 2013 and 2014 as the details of the legislation are devised.

Comments Include:

- The Xcel report does not include Minneapolis specific data but rather we are lumped in the "Metro West" area which makes it difficult to see the impact on the City. We suggest that the Public Utilities Commission require Xcel to provide annual information down to the at least the geographical city level for system improvements/enhancements
- We are interested in understanding how Xcel is planning on adapting its infrastructure to meet significantly increased penetration of distributed generation within the city limits and, and its plans to implement "smarter" technology within the City limits to better manage distributed energy resources in the City and maintain reliability.
- Due to the lack of specificity in the report, we are concerned that sufficient resources by Xcel Energy be allocated for the ongoing operation and maintenance of the distribution system in the Minneapolis.
- According to the a recent report by the Electric Power Research Institute most electrical outages are due to problems in the local distribution system. We assume because of the age of the City, that in many areas we have some of the most aging infrastructure and a 21st century electric system is critical to the City's ability to create jobs.

As the City becomes more knowledgeable on reliability issues and engaged at the PUC, we expect that future comments will be more detailed.

Attachment: Draft PUC comment letter.